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DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-870]

Certain Oil Country Tubular Goods from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2014-2015

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on certain oil country tubular goods (OCTG) from the Republic of Korea (Korea). The period of review (POR) is July 18, 2014, through August 31, 2015. The Department preliminarily determines that the producers or exporters subject to the review, including the mandatory respondents NEXTEEL Co. Ltd. (NEXTEEL) and SeAH Steel Corporation (SeAH), made sales of subject merchandise at less than normal value. We invite interested parties to comment on these preliminary results.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Victoria Cho or Deborah Scott, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5075 or (202) 482-2657, respectively.

SUPPLEMENTARY INFORMATION:

Background

On September 1, 2015, we published in the *Federal Register* a notice of opportunity to request an administrative review of the order.¹ As explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department has exercised its discretion to toll all administrative deadlines by four business days due to the closure of the Federal Government during Snowstorm Jonas.² On February 12, 2016, we selected as mandatory respondents the two exporters or producers accounting for the largest volume of OCTG from Korea during the POR (*i.e.*, in alphabetical order, NEXTEEL and SeAH).³ On May 31, 2016, we fully extended the preliminary results by 120 days.⁴

Scope of the Order

The merchandise covered by the order is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the order also covers OCTG

¹ See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity To Request Administrative Review*, 80 FR 52741 (September 1, 2015).

² See Memorandum to the Record from Ron Lorentzen, Acting A/S for Enforcement & Compliance, regarding “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas,” dated January 27, 2016.

³ See the Department’s Memorandum entitled, “Antidumping Duty Administrative Review of Certain Oil Country Tubular Goods from the Republic of Korea: Respondent Selection Memorandum,” dated February 12, 2016 (Respondent Selection Memo).

⁴ See the Memorandum to Christian Marsh entitled, “Oil Country Tubular Goods from the Republic of Korea: Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review,” dated May 31, 2016.

coupling stock. For a complete description of the scope of the order, *see* the Preliminary Decision Memorandum.⁵

Methodology

The Department is conducting this administrative review in accordance with section 751(a)(2) of the Tariff Act of 1930, as amended (the Act). Export price and constructed export price are calculated in accordance with section 772 of the Act. Normal value is calculated in accordance with section 773 of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as Appendix 1 to this notice.

Preliminary Determination of No Shipments

Among the companies under review, certain companies properly filed statements reporting that they made no shipments of subject merchandise to the United States during the POR.⁶ Based on the certifications submitted by these companies and our analysis of information

⁵ *See* the accompanying Decision Memorandum for the Preliminary Results of Antidumping Duty Administrative Review: Certain Oil Country Tubular Goods from the Republic of Korea, dated October 5, 2016 (Preliminary Decision Memorandum).

⁶ *See* Letter from Hyundai Steel Company to the Department (certifying that its affiliates Hyundai Glovis, Hyundai

from U.S. Customs and Border Protection (CBP), we preliminarily determine that the following companies had no shipments during the POR: Hyundai Glovis, Hyundai Mobis, Hyundai RB, Kolon Global, POSCO Plantec, and Samsung C&T Corporation.

For a full explanation of the Department's analysis, *see* the Preliminary Decision Memorandum. The Department finds that it is not appropriate to preliminarily rescind the review with respect to these companies but, rather, intends to complete the review with respect to these companies and issue appropriate instructions to CBP based on the final results of this review.

Rates for Non-Examined Companies

The statute and the Department's regulations do not address the establishment of a rate to be applied to companies not selected for examination when the Department limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, the Department looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted- average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}."

Mobis, and Hyundai RB had no exports, sales or entries of subject merchandise to the United States during the POR), dated December 9, 2015; Letter from Kolon Global to the Department, dated December 9, 2015; Letter from POSCO Plantec to the Department, dated December 9, 2015; and Letter from Samsung C&T Corporation to the Department, dated December 9, 2015. One other company, POSCO Processing & Service Co., Ltd., submitted a letter stating that it had no exports, sales or entries of subject merchandise to the United States during the POR. *See* Letter from POSCO Processing & Service Co., Ltd. to the Department, dated December 9, 2015. However, no company with this specific name was listed in the *Initiation Notice*. *See Initiation Notice*, 80 FR at 69195-6.

In this review, we have preliminarily calculated weighted-average dumping margins for NEXTEEL and SeAH that are not zero, *de minimis*, or determined entirely on the basis of facts available. Accordingly, the Department preliminarily has assigned to the companies not individually examined (see Appendix 2 for a full list of these companies) a margin of 5.92 percent, which is the simple average⁷ of NEXTEEL's and SeAH's calculated weighted-average dumping margins.

Preliminary Results of Review

The Department preliminarily determines that the following weighted-average dumping margins exist:

| Exporter or Producer | Weighted-Average Dumping Margin (percent) |
|------------------------|--|
| NEXTEEL Co., Ltd. | 8.04 |
| SeAH Steel Corporation | 3.80 |
| Non-examined companies | 5.92 |

Public Comment on Allegations of a Particular Market Situation

The Department intends to further consider allegations of a particular market situation in this proceeding. We invite parties to submit comments and arguments on these allegations no later than 14 days after the date of publication of this notice. Rebuttal comments will be due no later than five days after the deadline for submission of affirmative comments.

⁷ We calculated the all-others rate using a simple average of the dumping margins calculated for the mandatory respondents because complete publicly ranged sales data were not available.

Disclosure, Public Comment, and Opportunity to Request a Hearing

We intend to disclose the calculations performed for these preliminary results of review to the parties within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than five days after the date for filing case briefs.⁸ Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.⁹

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically *via* the Department's electronic records system, ACCESS. An electronically filed request must be received successfully in its entirety by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.¹⁰ Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. The Department intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

⁸ See 19 CFR 351.309(d).

⁹ See 19 CFR 351.309(c)(2) and (d)(2).

¹⁰ See 19 CFR 351.310(c).

Assessment Rates

Upon completion of the administrative review, the Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. We intend to issue liquidation instructions to CBP 15 days after publication of the final results of this review.

For any individually examined respondent whose weighted-average dumping margin is not zero or *de minimis* (i.e., less than 0.5 percent) in the final results of this review, we will calculate importer-specific assessment rates on the basis of the ratio of the total amount of dumping calculated for the examined sales made to each importer and the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1). Where an importer-specific *ad valorem* assessment rate is zero or *de minimis* in the final results of review, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties in accordance with 19 CFR 351.106(c)(2). If a respondent's weighted-average dumping margin is zero or *de minimis* in the final results of review, we will instruct CBP not to assess duties on any of its entries in accordance with the *Final Modification for Reviews*, i.e., “{w}here the weighted-average margin of dumping for the exporter is determined to be zero or *de minimis*, no antidumping duties will be assessed.”¹¹

For entries of subject merchandise during the POR produced by NEXTEEL or SeAH for which the producer did not know its merchandise was destined for the United States or for any respondent for which we have a final determination of no shipments, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹²

¹¹ See *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101, 8102 (February 14, 2012) (*Final Modification for Reviews*).

¹² See *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6,

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the notice of final results of this review for all shipments of OCTG from Korea entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for the companies listed in the final results of review, will be equal to the weighted-average dumping margin established in the final results of this administrative review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published from a completed segment for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation but the producer is, the cash deposit rate will be the rate established from a completed segment for the most recent period for the producer of the merchandise; (4) the cash deposit rate for all other producers or exporters will continue to be 5.24 percent,¹³ the all-others rate established in the less-than-fair-value investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

2003).

¹³ See *Certain Oil Country Tubular Goods From the Republic of Korea: Notice of Court Decision Not in Harmony With Final Determination*, 81 FR 59603 (August 30, 2016).

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Notification to Interested Parties

The Department is issuing and publishing these results in accordance with sections 751(a)(1) and 777(i) of the Act.

Dated: October 5, 2016

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Appendix 1

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Scope of Order
4. Preliminary Determination of No Shipments
5. Rates for Non-Examined Companies
6. Affiliation
7. Discussion of the Methodology
8. Currency Conversion
9. Recommendation

Appendix 2

List of Companies Not Individually Examined

A.R. Williams Materials
AJU Besteel Co., Ltd.
AK Steel
BDP International
Cantak Corporation
Daewoo International Corporation
Dong-A Steel Co., Ltd.
Dong Yang Steel Pipe
Dongbu Incheon Steel
Dongbu Steel Co., Ltd.
Dongkuk S and C
DSEC
EEW Korea
Erndtebruecker Eisenwerk and Company
GS Global
H K Steel
Hansol Metal
HG Tubulars Canada Ltd.
Husteel Co., Ltd.
Hyundai HYSCO¹⁴
Hyundai HYSCO Co., Ltd.
Hyundai Steel Company
Hyundai Steel Co., Ltd.
ILJIN Steel Corporation
Kukbo Logix
Kukje Steel
Kumkang Industrial Co., Ltd.
McJunkin Red Man Tubular
NEXTEEL Q&T
Nippon Arwwl and Aumikin Vuaan Korea Co., Ltd.
Phocennee
POSCO Processing and Acy Service
Samson
Sedae Entertech
Steel Canada
Steel Flower

¹⁴ On September 21, 2016, the Department published the final results of a changed circumstances review with respect to OCTG from Korea, finding that Hyundai Steel is the successor-in-interest to Hyundai HYSCO for purposes of determining antidumping duty cash deposits and liabilities. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review: Oil Country Tubular Goods From the Republic of Korea*, 81 FR 64873 (September 21, 2016). Hyundai Steel Company is also known as Hyundai Steel Corporation and Hyundai Steel Co. Ltd.

Steelpia
Sung Jin
TGS Pipe
Toyota Tsusho Corporation
UNI Global Logistics
Yonghyun Base Materials

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